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March 29, 2010

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James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: *Implementation of the Alternative Energy Portfolio Standards Act of 2004:
Standards for the Participation of Demand Side Management Resources –
Technical Reference Manual Update
Docket No. M-00051865***

Dear Secretary McNulty:

Enclosed for filing are an original and sixteen (16) copies of Reply Comments of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company pursuant to the Commission's Tentative Order regarding revisions to the Technical Reference Manual entered February 2, 2010, in the above-captioned docket.

Please date stamp the additional copy and return it to me in the enclosed, postage-prepaid envelope. Please contact me if you have any questions regarding this matter.

Very truly yours,



Bradley A. Bingaman

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Enclosures

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

MAR 29 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Implementation of the Alternative Energy :
Portfolio Standards Act of 2004: :
Standards for the Participation of Demand : Docket No. M-00051865
Side Management Resources – Technical :
Reference Manual Update :

REPLY COMMENTS OF METROPOLITAN EDISON COMPANY,
PENNSYLVANIA ELECTRIC COMPANY AND
PENNSYLVANIA POWER COMPANY

I. INTRODUCTION

On January 28, 2010, the Pennsylvania Public Utility Commission (“Commission”) adopted a Tentative Order in the above-captioned proceeding proposing revisions and recommended changes to the existing Technical Reference Manual (“TRM”) which is being used to help validate savings and provide support for the implementation of Act 129 of 2008 (“Act 129”). The Commission entered the Tentative Order on February 2, 2010, and a notice seeking comments to the Tentative Order and proposed revisions to the TRM appeared in the *Pennsylvania Bulletin* on February 20, 2010. Interested parties were invited to submit comments on the proposed TRM within 20 days and reply comments within 35 days.

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”) and Pennsylvania Power Company (“Penn Power”) (collectively “the Companies”) submitted Comments on March 12, 2010. In response to several comments submitted by other interested parties, the Companies respectfully submit the following reply comments regarding the Tentative Order and proposed revisions to the TRM in the above-captioned docket.

II. REPLY COMMENTS

A. Value Recommendations.

As described in Appendix B of the TRM, the TRM includes deemed, partially deemed, and custom protocols for measurement of savings. Several electric distribution companies (“EDCs”) provided recommended deemed parameters or savings values to be added to the TRM. It is the Companies’ understanding that these recommendations have also been made through other means by individual EDCs to GDS, the Statewide Evaluator (“SWE”), for consideration. However, these recommendations were made with only limited review among and between all of Pennsylvania’s EDCs.

The Companies recommend that the Commission adopt as many of the recommended values as it finds supportable and prudent based on the comments received along with input from the SWE, as well as encourage both the SWE and the EDCs to add deemed parameters or savings values to the TRM on a coordinated basis as “Interim Protocols” as described in Appendix B. It is anticipated that the EDCs will work with the SWE and Commission Staff to better prioritize and integrate the processes for establishing such values.

Dusk-to-Dawn Lighting: A specific value that the Companies have previously recommended to be added to Table 6-6 of this TRM is Dusk-to-Dawn Lighting. The Companies recommended values of 4,300 EFLH and 0% CF. PECO included a value of 4,100 EFLH in its comments under “Roadway and Security Lighting.” Based on the support documentation provided to the SWE, in addition to discussions with PECO and other EDCs, the Companies continue to support, and other EDCs have also expressed support, for adopting the 4,300 EFLH value. However, the Companies are indifferent as to whether the building type category in Table 6-6 is named “Dusk-to-Dawn” or “Roadway and Security”.

Room Air Conditioners in Appliance Turn-in Programs: In Allegheny Power's comments related to the Appliance Turn-in program being implemented by all utilities, it is correctly observed that there is no deemed value of savings in the TRM for room air conditioners under appliance turn-in programs. EDCs have included a range of values for Room Air Conditioners in their energy efficiency and conservation ("EE&C") Appliance Turn-in Programs, from a low of 58 kWh/year (i.e., PP&L) to a high of 1,147 kWh/year and 0.482 kW (i.e., PECO). Allegheny Power's comments support 921 kWh/year and 1.25 kW. The Companies' EE&C Plans used .072 kW for all three companies; the EE&C plans also used 108 kWh/year for Met-Ed, 73 kWh/year for Penelec and 71 kWh/year for Penn Power. As each of the Companies are in the process of launching the approved Appliance Turn-In programs using the values specified and approved in their EE&C Plans, the Companies recommend that the Commission expedite clarification of the appropriate value(s) to be used either in the approved updated TRM or through an expedited review process by the SWE.

B. The Companies encourage the Commission to reinforce the use of deemed savings.

The Comments of PECO support the generic issue of using deemed savings and include results from other jurisdictions in an Appendix that reinforces the use of deemed averages. PECO also underscores the potential negative impacts on market participation resulting from the transaction costs associated with completing detailed documentation.

The Companies support PECO's comments and encourage the Commission to direct the SWE to support the use of streamlined documentation and reasonable averages in the TRM and other evaluation activities in order to support program implementation. The TRM and participation forms should balance evaluation (striving for measure-by-measure, site-by-site

granularity) and implementation (striving for simplicity). The implementation rate and market uptake of the programs should be impacted by excessive documentation and pre-monitoring requirements.

As a specific example, PECO also points out that “[t]he updated TRM requires detailed pre- and post-project data for all motor measures regardless of size (Section 6.3)” and recommends a threshold above which more detailed processes are required. The Companies also endorse this recommendation. To the extent any survey metering is required, the Companies further recommend a post-only metering approach. In most conditions, the baseline energy usage can be well-approximated through post-project monitoring.

C. Comments from other parties reinforce the Companies’ recommendation to support the use of PJM Demand Response (“DR”) Protocols.

In addition to the Companies, Duquesne and Constellation Energy also reinforced the recognition and use of PJM Demand Response protocols. While EDCs should have the option to use more specific requirements for their programs, the Companies suggest that the language recommended by the Companies and Duquesne that recognizes the use of PJM DR protocols should be adopted.

D. UGI’s recommendations regarding Fuel Switching are being vetted in the Fuel Switching Working Group (“FSWG”) and should not be adopted in the TRM.

The Commission commenced a FSWG in June 2009, in relation to the TRM proceeding at Docket No. M-00051865, to identify, research and address issues related to fuel switching with the possibility of its inclusion in future versions of the TRM. The Commission directed the FSWG to provide recommendations by March 31, 2010 addressing whether changes to the TRM or Total Resource Cost (“TRC”) Test are justified.

In short, the FSWG is currently undertaking the process of reviewing and addressing issues related to fuel switching, and the adoption of UGI's recommendations in the TRM at this time would simply be premature. In addition, UGI's suggested language introduces issues addressed in the TRC Test that are not appropriate to be included in the TRM. The purpose of the TRM is articulated in §1.1 "Purpose" as follows:

The TRM was developed for the purpose of estimating annual energy savings for a selection of energy efficient technologies and measures.

UGI's suggested language would improperly modify the scope of the TRM to include policy statements related to the TRC and should be rejected.

III. CONCLUSION

The Companies appreciate the opportunity to provide reply comments on the Commission's Tentative Order and proposed revisions to the TRM.

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Respectfully submitted,

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dated: March 29, 2010



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Implementation of the Alternative Energy :
Portfolio Standards Act of 2004: Standards :
for the Participation of Demand Side : Docket No. M-00051865
Management Resources – Technical :
Reference Manual Update :**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Harrisburg, PA 17120

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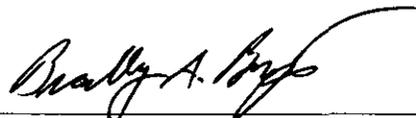
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SECRETARY'S BUREAU

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Dated: March 29, 2010



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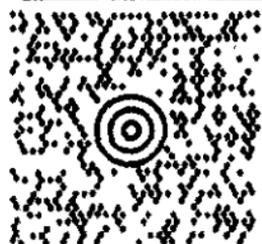
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